

# LYNCHBURG CITY COUNCIL

## Agenda Item Summary

MEETING DATE: **July 9, 2002, Work Session**

AGENDA ITEM NO.: **6**

CONSENT:

REGULAR: **X**

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

**ITEM TITLE: Request that City Council Authorize Salary Increases for State Funded Positions in the Commissioner of the Revenue's Office Utilizing Local Funds**

**RECOMMENDATION:** Authorize an appropriation to provide a 2% salary increase to state employees in the Commissioner of the Revenue's Office subject to the Commissioner signing a memorandum of understanding agreeing for his employees to come under City personnel policies and procedures.

**SUMMARY:** State employees of the Constitutional Offices have not received salary increases from the General Assembly for Fiscal Years 2002 or 2003. At the same time, City employees have been granted increases of 3% and 2%, respectively. The City funds five positions in the Commissioner of the Revenue's Office and the state funds nine. Although funded from different sources, the positions are blended seamlessly to provide a number of state and local services. Treating the employees differently with respect to salary increases causes confusion and can have a negative effect on morale.

While I recommend granting the 2% increase for FY03, I cannot support the requested bonus for FY02. I don't believe that such subsidy should be provided retroactively.

**PRIOR ACTION(S):** None

**FISCAL IMPACT:** \$7,780 from the Reserve for Contingencies in FY03 for the full request; \$6,220 to support only the 2% increase for FY03. Continued subsidy of state salaries with local funds would be required in subsequent years.

**CONTACT(S):** Mitch Nuckles, Commissioner of the Revenue

**ATTACHMENT(S):** Request from the Commissioner

**REVIEWED BY:**

**Mitchell W Nuckles**

06/17/02 10:09 AM

To: Kimball Payne/CityHall/COL@COL  
cc:  
Subject: Salary increase

Kim,

As you are aware, the state authorized positions in the Commissioner's office did not receive an increase in salary last year and they will not receive an increase this coming year. I am very concerned about retaining qualified and dedicated employees. During the past year, I lost one employee to another department in the city and I had to increase the salary of another to avoid departure. I need to retain my current employees or the services provided by my office will undoubtedly suffer. The employees about whom I am speaking are the ones who interact with almost every citizen in Lynchburg on an annual basis. These employees are the people behind the smiling face you see when you come to purchase a decal. These employees are the friendly voice you hear when you need assistance with local taxes. These employees know and understand not only the laws and policies of Lynchburg but also her citizens.

Therefore, I propose that my state authorized employees be granted a three (3) percent bonus for FY 02 and a two (2) percent salary increase for FY 03. As we discussed, I have received \$5,617 from the Virginia Compensation Board to assist with the reimbursement of my request. The breakdown of my request is as follows:

<b>Request</b>	<b>Amount</b>
3% bonus for FY 02 (\$7,177-\$5,617=\$1,560)	<u>\$1,560</u>
<b>Total FY 02 request</b>	<b>\$1,560</b>
 2% salary increase for FY 03	 \$4,785
Approximate cost of additional benefits	<u>\$1,435</u>
<b>Total FY 03 request</b>	<b>\$6,220</b>

I thank you for your time and I would greatly appreciate your approval of my request.

Mitch